TOP SECRET

1088

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1. USSR wants Rumanian troops moved from Yugo border—
US service attaches in Bucharest transmit a report from a "completely reliable" source that the USSR has asked the Rumanian Minister of National Defense to evacuate all Rumanian troops from the Banat, a Rumanian province adjacent to Yugoslavia. In surveying possible implications of this action, the attaches indicate they consider it "possible" that: (a) Soviet forces require use of the area for maneuvers; or (b) the Kremlin wants to concentrate Soviet troops in the area as an ecouragement for internal revolt in Yugoslavia.

(CIA Comment: CIA believes that the Kremlin intends to move Soviet replacements into this area in order to further the war of nerves against Tito.)

25X1

NEAR EAST-AFRICA

2. ISRAEL: Plan to move ministries to Jerusalem denied—The Israeli Foreign Office has informed US Charge Ford in Tel Aviv that rumors indicating Israel's intent to move all government ministries to Jerusalem either prior to or following the fall session of the General Assembly are "utterly without foundation."

25X1

3. IRAN: Return of Soviet-kidnapped Iranian soldiers demanded—The Iranian Minister of War has informed the US Military Attache in Tehran that the Iranian Government has set a 15 September deadline for the return of the fifteen Iranian soldiers recently kidnapped by Soviet troops and held as hostages for three Soviet soldiers who escaped to Iran. Accord-

DIA and DOS review(s) completed.

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COMPIDENTIALE

ing to the Minister of War, the Iranian Foreign Minister has informed the Soviet Embassy in Tehran that unless the deadline is met, Iran will close both the Soviet cultural relations society and the Soviet hospital in Tehran and will transmit a dossier to the UN on Soviet-Iranian border incidents. The Soviet Attache reportedly indicated that the Iranian soldiers would be returned as requested.

25X1

4. INDIA: Possibility of broader approach to Kashmir question--US Ambassador Henderson reports that the British High Commissioner has impressed upon Prime Minister Mehru the necessity for making some "constructive suggestions" regarding the Kashmir problem now that he has rejected the arbitration proposal of the UN Commission for India and Pakistan. Nehru reportedly agreed that he could not take a negative attitude on the matter and indicated that on two other issues currently disturbing India-Pakistan relations -- the refugee property question and the dispute over the use of the Punjab Canal water -he would probably accept arbitration. Henderson suggests that Nehru's "present trend of thought" may create possibilities for joint US-British cooperation toward settlement of the Kashmir question and points out that simultaneous consideration of the Kashmir dispute, the refugee property issue, and the water rights question might be useful.

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